

**IN RE:**

Application of Kiawah Island Utility, Inc. for Approval of an Increase in Rates and Charges for Water and Sewer Service	<b>) ORDER APPROVING ) INCREASE DUE TO ) INCREASE IN ) WHOLESALE RATES</b>
---	--

In the present matter, the Company is proposing to increase the rate for potable water to all classes of customers in the amount of \$.09 per thousand gallons, the identical amount of the increase in the Company's cost of wholesale potable water imposed by St.

John's Water Company. In support of this request, Kiawah enclosed a copy of a letter from Becky Dennis, General Manager of Kiawah, outlining the basis for the request, and including a table showing the current rates and the proposed new rates as well as the background correspondence from St. Johns Water Company, documenting the increase in the Company's cost of wholesale potable water. Kiawah states that it will furnish thirty (30) days prior written notice to its customers of the amount of the adjustment, the basis for it, and the adjustment's effective date. The Office of Regulatory Staff (ORS) does not oppose the requested increase.

We have reviewed the proposal. Kiawah was not able to give this Commission sixty (60) days notice of the increase, due to the fact that it did not receive notification of the amount of the increase until March 5, 2008. Otherwise, Kiawah complied with the procedure for submitting rate increases due to increases in the wholesale cost of water. Accordingly, we approve the request as filed. Kiawah shall furnish thirty (30) days notice of the increase to its customers as outlined by it in its request.

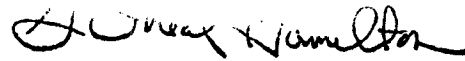
APRIL 15, 2008

PAGE 3

---

This Order shall remain in full force and effect until further Order of the Commission.

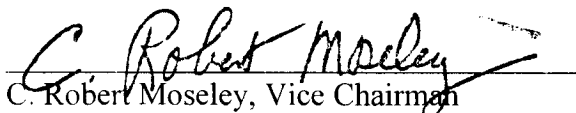
BY ORDER OF THE COMMISSION:



---

G. O'Neal Hamilton, Chairman

ATTEST:

  
C. Robert Moseley, Vice Chairman

(SEAL)